

FISCAL MEMORANDUM
SB 3789 – HB 3857

March 27, 2008

SUMMARY OF AMENDMENT (015869): Deletes all language of the bill. Requires postsecondary educational institutions operating in this state to provide prospective students written information that sets forth the meaning of “transferability of credits” and requires such information to be on enrollment contracts or agreements which students must sign to indicate they have knowledge that certain courses may not transfer to another institution. If there is no enrollment agreement such information will be included in the letter of acceptance or other document from the institution; requires all higher education institutions, with certain exceptions, to annually provide specific demographic data to the Tennessee Higher Education Commission; requires institutions to place on their websites certain job placement data indicating the percentage of graduates obtaining jobs in their fields of study; requires institutions to notify students of any limited or restricted authorization to operate by the institution.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures – \$180,000/One-Time
\$25,200/Recurring**

Assumptions applied to amendment:


- According to the Tennessee Board of Regents (TBR), primarily two-year schools and technology centers will be impacted by the provisions of the bill, as amended.
- According to TBR, costs are a result of the requirement for tracking students changing programs, students dropping in and out of programs, students transferring between institutions, and reporting on student’s progress.
- Such reporting requirements will necessitate the collection and reporting of data not currently collected by postsecondary institutions.
- Student tracking requirements are across institutions and will require universities to report transfers from two-year institutions and changes in major areas of concentration.

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- A centralized postsecondary data collection system will be required to handle the requirements set out by the bill, as amended. The cost for such a system is estimated to be one-time state expenditures of \$30,000 for computer hardware and \$150,000 for system programming (750 hours x \$200/hour). TBR is currently transitioning to new ERP software. Any additional programming requirements made to the TBR system results in the use of consultants at a higher rate of pay.
- There will be recurring state expenditures of \$25,200 for system maintenance (hardware maintenance of \$3,600 and program maintenance of \$21,600).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/rct